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REPORT OF THE PUBLIC EDUCATION POLICY COUNCIL



REPORT TO THE 1985 GENERAL ASSEMBLY OF NORTH CAROLINA

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Table of Contents

1.	Council Proceedings -----	1
2.	Governance -----	7
3.	Curriculum -----	11
4.	Finance -----	18
5.	Personnel -----	37
6.	Appendices	
	A. Chapter 860, 1983 Session Laws ----- (House Bill 1307)	51
	B. Members, Public Education ----- Policy Council	54
	C. Committees, Public Education ----- Policy Council	57
	D. Chapter 971, 1983 Session Laws ----- (Regular Session 1984), House Bill 1496, AN ACT TO MODIFY CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS FOR NORTH CAROLINA STATE GOVERNMENT FOR THE 1984-85 FISCAL YEAR AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE	58
	E. Chapter 1103, 1983 Session Laws ----- (Regular Session 1984), House Bill 1567, AN ACT TO ENACT THE ELEMENTARY AND SECONDARY SCHOOL REFORM ACT OF 1984	69
	F. North Carolina Career Development ----- Plan for Teachers and Administrators	75
	G. Public Schools Expansion and ----- Improvement Funds, Short Session, June-July 1984	106
	H. The Basic Education Program for ----- North Carolina's Public Schools	108

I.	List of local school administrative units chosen to carry out the pilot program of the adopted Career Growth Program for Teachers and Administrators	----- 182
J.	Proposed Legislation, A BILL TO BE ENTITLED AN ACT TO AMEND THE CONSTITUTION AND THE GENERAL STATUTES TO CHANGE THE METHOD OF SELECTING THE MEMBERS OF THE STATE BOARD OF EDUCATION AND TO MAKE THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION APPOINTIVE	-- 183
K.	Model Proposed Governance System	----- 197
L.	Committee Deliberations	
	a. Governance	----- 198
	b. Curriculum	----- 214
	c. Finance	----- 216
	d. Personnel	----- 219
M.	Proposed Legislation, A BILL TO BE ENTITLED AN ACT TO ENHANCE THE ROLE OF THE STATE BOARD OF EDUCATION AS THE PRINCIPAL VOICE FOR ELEMENTARY AND SECONDARY EDUCATION IN NORTH CAROLINA	-- 224
N.	Proposed Legislation, A BILL TO BE ENTITLED AN ACT TO ESTABLISH STATE AND LOCAL FUNDING RESPONSIBILITIES FOR THE UNIFORM SYSTEM OF FREE PUBLIC SCHOOLS	-- 226
O.	Proposed Legislation, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR STATE FUNDING OF VOCATIONAL EDUCATION UNDER THE FEDERAL VOCATIONAL EDUCATION ACT	-- 253
P.	Proposed Legislation, A BILL TO BE ENTITLED AN ACT TO CONTINUE THE PUBLIC EDUCATION POLICY COUNCIL	-- 254

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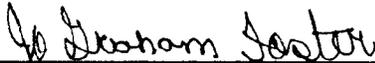
December 1, 1984

TO THE MEMBERS OF THE 1985 GENERAL ASSEMBLY

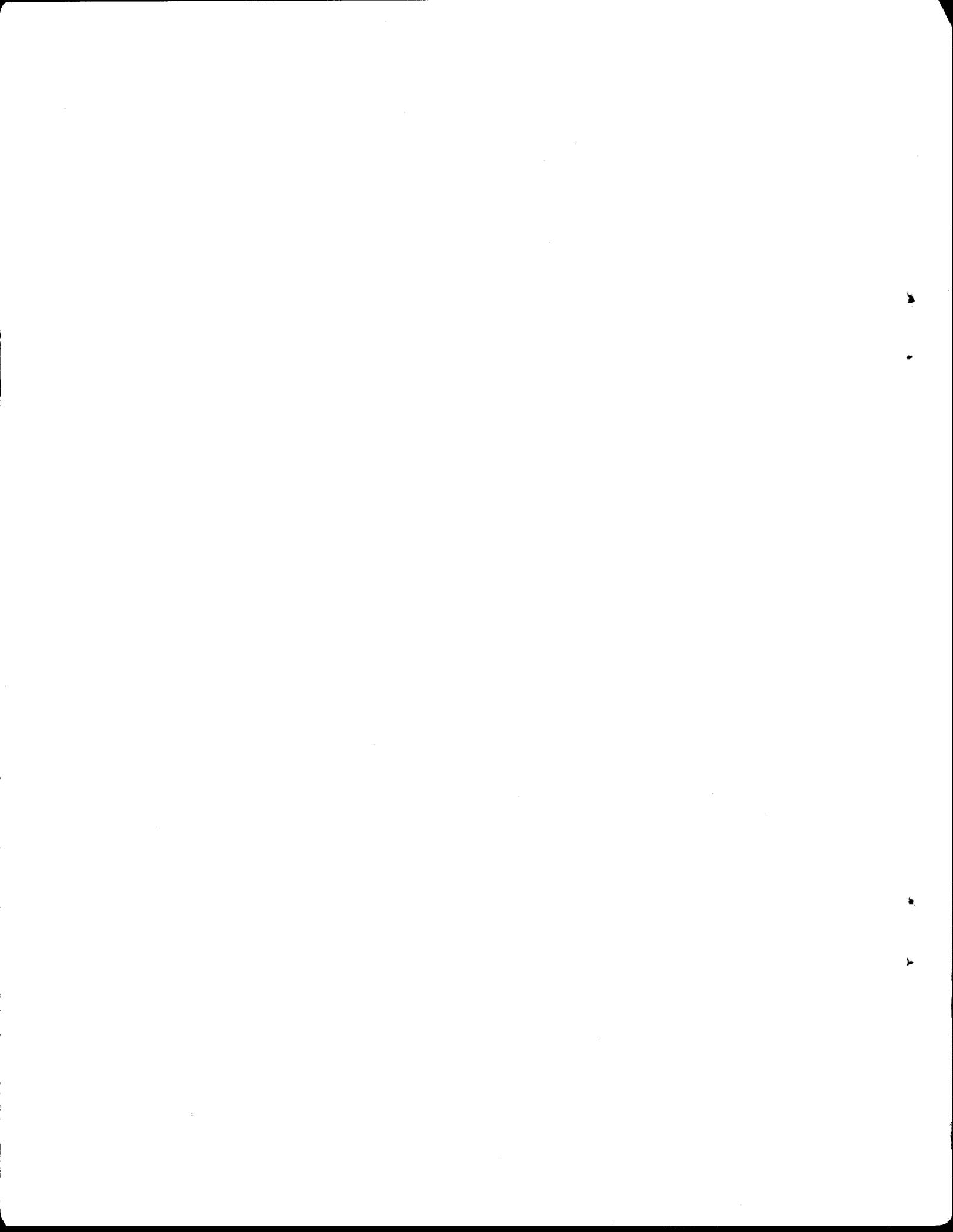
The Public Education Policy Council herewith reports to the 1985 General Assembly under the authority of Chapter 860 of the 1983 Session Laws (House Bill 1307).

Respectfully submitted,


Robert D. Warren


Jo Graham Foster

Cochairmen
Public Education Policy Council



COUNCIL PROCEEDINGS

Chapter 860 of the 1983 Session Laws (House Bill 1307) created the Public Education Policy Council and required that the Council report to the 1984 Session of the 1983 General Assembly as well as to the 1985 General Assembly before ceasing to exist on December 1, 1984. The enabling legislation (Appendix A) also called for the Council to "study the fiscal and operational functions of the Department of Public Education (State Board of Education, Office of the Controller and Department of Public Instruction) and the responsibilities of the several State and local agencies and units of government that share responsibility for the system of public schools." House Bill 1307 also provided that the Council's study was to "include public school laws as well as policies, procedures, philosophy and educational programs of the Department of Public Education and their application."

Formation of the Public Education Policy Council resulted in part from the investigation and recommendations of the Select Committee to Study the Department of Public Education, created in 1982, as well as increased attention which had been focused on public schools by a number of state and national task forces and commissions, notably the reports of the National Commission on Excellence in Education and the National Task Force on Education for Economic Growth (later followed by the North Carolina Commission on

Education for Economic Growth). The enabling legislation also noted the portion of North Carolina's general fund tax revenues (75 to 80 per cent) which is spent "in support of education at all levels and through various agencies" in justifying the need for the Council's study. In addition, the need for participation by many in the governmental and educational communities was cited in the bill as a basis for inclusion of a large number of members representing various groups and officials. As a result, the Council included 47 members falling into four groups:

1. Legislative appointees (20);
2. Gubernatorial appointees (11);
3. Specific public officials or their representatives, including the Lieutenant Governor, State Treasurer, Superintendent of Public Instruction, Chairman of the State Board of Education, Chairman of the Board of Governors of the University of North Carolina and Chairman of the Board of Community Colleges (in all, six); and
4. Representatives of groups involved in public education, including the North Carolina Association of County Commissioners, the North Carolina Association of School Administrators, the North Carolina Association of Educators, the North Carolina Association of Educational Office Personnel and Classroom Teachers as well as the North Carolina School Boards Association, the North

Carolina Federation of Teachers, the North Carolina Principals/Assistant Principals Association, the North Carolina Congress of Parents and Teachers, and the North Carolina Advisory Council on Education (in all, 10).

Because of the complexity of the subject matter, the amount of material to be considered and the number of members, the Council divided itself, at its first meeting, into three committees of 15 members each: Personnel, Governance and Finance. The full Council met on three occasions. The Personnel, Finance, and Governance Committees each met four times.

At its second meeting, the Council adopted two basic statements of policy, the latter being Section 15 of Article 1 of the Constitution of North Carolina:

1. "It is the policy of the State of North Carolina to create a public school system that graduates good citizens with the skills demanded in the marketplace, and the skills necessary to cope with contemporary society, using State, local and other funds in the most cost-effective manner."

2. "The people have a right to the privilege of education, and it is the duty of the State to guard and maintain that right."

At its final meeting prior to the 1984 legislative session, the Council reviewed the recommendations of the three committees. In addition to amending and adopting the recommended statements of policy in the three areas dealt

with by the committees (Finance, Personnel and Governance), the Council redrafted several overlapping statements of policy recommended by the committees on Finance and Personnel into a single recommended statement of policy in the area of curriculum. In addition, the Council considered and adopted a recommendation that a resolution be offered in 1984 calling on the 1985 General Assembly to devote the first 20 legislative days of the 1985 Session to consideration of the issues raised by the Council as well as by other commission, panels and task forces.

In its 1984 session, the General Assembly acted in two of the three areas addressed by the Council. In section 4 of chapter 971 of the 1983 Session Laws (Regular Session 1984), or House Bill 1496, the Legislature required that the State Board of Education develop career growth programs for teachers and for administrators. (See Appendix D.) The State Board was to submit preliminary reports by November 1, 1984 to the Policy Council on the career growth pilot programs. (See Appendix F.) In addition, the General Assembly enacted "The Elementary and Secondary School Reform Act of 1984," Chapter 1103 of the 1983 Session Laws (Regular Session 1984), an amended version of House Bill 1567. (See Appendix E.) This bill was, in its original form, recommended to the General Assembly by the Public Education Policy Council.

Several proposals adopted by the Council prior to the 1984 legislative session for submission to the General

Assembly were not acted on in 1984. Included among these was a proposal, Senate Bill 143, originally introduced in 1983, calling for a review of North Carolina's education statutes by the General Assembly's standing committees on education. Also introduced (in both houses) was a resolution approved by the Council calling on the 1985 General Assembly (Senate and House of Representatives) to sit as committees of the whole "for twenty legislative days for the purpose of considering various proposals relating to education in North Carolina." Neither Senate Bill 755 nor House Bill 1568 was approved. Legislation was also introduced to implement certain funding recommendations of the Council. While neither House Bill 1569 nor Senate Bill 764 were enacted as introduced, the General Assembly appropriated funds in a number of areas consistent with the recommendations of the Education Policy Council and the Governor's Commission on Education for Economic Growth. (See Appendix G.)

Following the 1984 Session of the General Assembly, the Finance and Personnel Committees met to review the proposed Career Development plans and the Basic Education Program submitted by the State Board of Education. All three committees reported to the Council on November 27, 1984. At the conclusion of that meeting, the Council unanimously approved a motion that the co-chairmen of the Council appoint an interim committee or task force to serve as an editorial board to review the Council's report to the 1985

General Assembly and to assist in drafting legislation to implement the proposals of the Council.

The remaining sections of this report contain the Council's findings and recommendations in the Governance, Curriculum, Finance and Personnel areas.

GOVERNANCE

GOVERNANCE BACKGROUND

The present system by which North Carolina's system of public elementary and secondary schools is governed has caused steadily increasing concern in recent years. No other governmental institution in the state, at the local level or at the state level, involves an appointed governing board, a popularly elected chief administrative officer and a chief fiscal officer who is not directly responsible to the chief administrative officer. The result has been steadily increasing confusion as to who is responsible for and who speaks for public elementary and secondary education in North Carolina. Attempts to solve the problem through piecemeal statutory changes, through appointments or through closer personal relationships among the principals have only further confused or obscured the basic structural problem.

In the course of its discussions, the Council identified several specific problems and issues:

1. The need to promote sound management and assign clear lines of authority and responsibility in our system of educational governance, to create lines of authority that enhance rather than block efforts to delivery quality education.

2. The need for the General Assembly, as the ultimate state-level policy making body, to review the state's elementary and secondary school structure in detail, and to review in context the many proposals for change and reform of that system and its components. The plethora of commission and task force reports which have been issued in recent years, and the fact that 75 to 80 percent of the state's general fund revenues are spent on education at all levels (40 to 45 percent on elementary and secondary education) suggest the necessity of a thorough examination and understanding by the state's leading policy makers. Only through such a review can a consensus evolve as to appropriate lines and levels of responsibility for our public elementary and secondary schools.

3. The need to create a governing authority that reflects input from (and responsiveness to) the General Assembly, as the top policy making body in the state as well as from the executive branch. The need to eliminate political influence in educational decision making or governance, or to balance that influence which remains inevitable, was clear to the Council from the outset. To be effective, any board created to govern our elementary and secondary education system must include representation from all sectors.

4. The need to maintain and expand grass roots participation in the governance system. As participation by both executive and legislative branches of state government is

necessary for an effective system of governance, so too is participation by the citizens of the state.

5. The need to reduce or eliminate any potential for conflict of interest on the part of those involved in educational governance.

The Council's Governance Committee considered a number of these issues as it reviewed governance models. After a review of North Carolina's present system and its evolution and an examination of governance models in other states, the committee looked closely at six possible models. The model upon which the committee agreed, and which the full Council adopted as a recommendation to the General Assembly, is outlined below.

GOVERNANCE RECOMMENDATIONS

1. The Council recommends that the General Assembly enact legislation calling for a statewide referendum on a new system through which to govern North Carolina's public elementary and secondary school system. (See Appendix J.) The proposed system should incorporate the following elements:

A. A 21-member State Board of Education to include:

(1) Eight members appointed by the Governor, one from each of the state's educational districts;

(2) Eleven members elected by the General

Assembly, one from each of the state's congressional districts (see below);

(3) The Lieutenant Governor and State Treasurer;

- B. Four-year terms for Board members, with a two-term limit;
- C. Provisions requiring those who are appointed or elected to the Board to resign any position which might cause a conflict of interest;
- D. A State Superintendent of Public Education to be appointed by the Board;
- E. A Controller to be appointed by the State Superintendent, subject to the approval of the State Board;
- F. A nominating process through which local boards of education, through county boards of commissioners, shall submit names of those to be selected by the General Assembly as members of the Board.

(See Appendix K.)

2. The Council recommends that the Public Education Policy Council be continued for four years.

CURRICULUM

CURRICULUM BACKGROUND

What to teach children in public schools has received much thoughtful reflection over many years.

In August 1967, Governor Dan K. Moore established the Governor's Study Commission on the Public School System of North Carolina to answer this question: "How best can the people of North Carolina meet their obligation to provide full educational opportunity for their children?" Then, as now, the major concern was equity. Adopting two measures of county effort--equalized property valuation and per capita income--the Commission found that local ability and effort to support public schools varied widely. The Commission also found that these disparities were reflected in the programs of instruction available to children in public schools. As a means of overcoming those differences and offering "equitable opportunity," the Commission recommended a Minimum Basic Program of school finance that would:

- require minimum local participation;
- include all essential elements of public education, including capital outlay; and
- promote cooperative planning between State and local agencies to insure efficiency, economy, and wide participation.

Counties would be "required to put forth the same amount of effort to use the resources available" to be eligible to participate in the program. To increase local support, the Commission recommended an incentive program to reward local school districts in counties that exceeded the required minimum effort. The Commission's other recommendations included adding free public kindergarten, expanding course offerings in occupational education, revising state textbook policy, screening children for learning problems, improving programs for exceptional children, and raising teacher salaries.

It is the policy of the State of North Carolina to insure a high quality education for every child in North Carolina, regardless of the child's residence. The General Assembly directed the State Board of Education to develop a Basic Education Program for all children and submit that proposed standard course of study to the General Assembly by October 15, 1984. (See Appendix H)

The Basic Education Program includes a core curriculum for all students and everything that is needed to provide that curriculum. The basic program does not define a minimum education or the ideal, but the common core of knowledge which each student should command upon graduation from high school.

The abilities of counties to provide a program of instruction are not the same, and, thus, educational opportunities for children are not equal. The Basic

Education Program addresses these inequities by guaranteeing a fundamental educational program for each child.

The Basic Education Program describes standards of curriculum, class size, staffing, services, instructional time, materials and supplies, and facilities. These standards include:

A BASIC CURRICULUM. The plan describes curriculum standards for grades K-12 in the areas of the arts, communication, media and computer skills, second languages, healthful living, mathematics, science, social studies, and vocational education for four grade spans: grades K-3, grades 4-6, grades 7-8, and grades 9-12. Thinking and reasoning skills are integrated throughout the entire curriculum. The curriculum included in the Basic Program should be seen as a summary of the competency-based curriculum being developed by the Department of Public Instruction.

PRESCHOOL SCREENING. The plan provides for preschool screening that will diagnose learning problems in youngsters before they reach school age. The areas to be screened include speech, hearing, sight, and motor skills.

PROMOTION STANDARDS. The plan outlines promotion standards which would require students in grades 3, 6, and 8 to master specific competencies before moving to the next grade. Not only would the students have to pass the state standards, they also would have to meet

standards set by local school districts. Under the program all local school districts must submit student promotion policies to the board by August 1, 1986, using such suggested criteria as teachers' judgment, grades, attendance, and maturity.

SUMMER SCHOOL. Students who fail to score at or above the 25th percentile in the state's Annual Testing Program and meet the local promotion standards would be retained or sent to a free, state-supported summer remediation program. They would be tested again at the end of the program.

INSTRUCTIONAL TIME. The plan would require a minimum of 5 1/2 hours of instructional time during each school day. The instructional time would not include activities such as changing class, lunch, or pep rallies. The only exemptions allowed would be for kindergartners or handicapped children.

APPROPRIATE CLASS SIZE. The proposed staffing would modify class size, with the goal of achieving certain staffing patterns upon full implementation of the Basic Education Program.

ADDITIONAL PROGRAMS. In order to provide a basic education, those programs not confined to subject areas, such as exceptional children, the extended day program, in-school suspension, students services, library/media programs, intramurals, and sports medicine, must be provided.

HIGH SCHOOL GRADUATION REQUIREMENTS. All students enrolled in public high school graduation programs, except exempted handicapped students, must pass the North Carolina Competency Tests in Mathematics and Reading in order to graduate. In addition, students must successfully complete 20 units of credit in grades 9 through 12 as specified by the State Board of Education. The units include: four in English, two in mathematics, two in social studies (one in government and economics and one in U. S. history), two in science (one in life science or biology and one in physical science), one in physical education and health, and nine to be determined by the local education agency. Students graduating prior to the 1986-87 school year must successfully complete 18 units of credit. Local school districts may adopt additional requirements which students must also complete in order to graduate from high school.

MATERIAL SUPPORT. The plan recommends the material support necessary to provide a basic education, such as funding for instructional materials and equipment and standards for school facilities, school sites, school equipment, maintenance shops, and transportation.

STAFFING. The plan recommends staff positions and staffing ratios needed on both the district and school levels. The current instructional support allotment category is further broken down into psychologists,

school social workers, school nurses, counselors, and media specialists.

TEXTBOOKS. The plan recommends funding for textbooks of \$20 (in constant 1984 dollars) for every student in average daily membership and includes a listing of textbooks by grade level and subject area currently adopted by the State Board of Education.

CURRICULUM RECOMMENDATIONS

1. The Council endorses the Basic Education Program with the following two reservations and recommends that the Program proposed to the 1985 General Assembly prescribe mandatory courses of study which shall be available to every student in North Carolina regardless of the location of the local school administrative unit:

a. The Council objects to the use of the word "should" rather than the word "shall" in describing the Basic Education Program Curriculum.

b. The "School Level Staffing" outlined in Section VI B of the Basic Education Program should be amended as follows:

(a) The allotment of School Secretaries to read:

"8. School Secretaries - Positions to be allotted, and persons employed in schools, as follows:

<u>ADM</u>	<u>NUMBER OF POSITIONS</u>
0 - 399	1
400 - 899	2
900 - 1499	3
1500 - 2199	4
2200 - above	5"

(b) The allotment of Assistant Principals to read:

"5. Assistant Principals - Positions to be allotted, and persons employed in schools, as follows:

<u>ADM</u>	<u>NUMBER OF POSITIONS</u>
400 - 899	1
900 - 1499	2
1500 - 2199	3
2200 - above	4"

2. The Council recommends that the 1985 General Assembly give its highest priority to a most careful review of the Basic Education Program proposed by the State Board of Education. The Legislature should require such additional data as will enable it to make prudent policy and appropriations decisions to advance these education goals within a reasonable time.

3. The Council recommends that the Basic Education Program submitted to the 1985 General Assembly be reviewed by the Standing Committees on Education and amended or adopted as appropriate.

FINANCE

FINANCE BACKGROUND

North Carolina law has required the State to provide funds to operate public schools and local government (counties) to provide capital funds. Over the years, however, confusion has increased as to these responsibilities. Three factors have increased this confusion in recent years: (1) an erosion of support from federal sources, funds which heretofore had been channeled primarily to the poorest communities and had thus softened the effect of unequal ability to pay; (2) a gradual reduction in the proportion of the total education bill paid for with State resources; and (3) an accompanying increase in the level of local support for public schools; support which is, of course, based on the local community's ability to pay.

In the course of discussions prior to the 1984 Session of the General Assembly, the Council identified several specific problems and issues in the public school finance area:

1. The need to clarify lines of responsibility, to determine elements of the standard course of study and then determine appropriate responsibility for these elements.

2. The problem of State-mandated programs or standards for which the State has failed to make available sufficient resources. Examples include:

- a. class size requirements,

- b. a school finance officer in each school unit,
- c. an estimated 30 percent matching local contribution for vocational education programs,
- d. high school textbooks and other instructional supplies,
- e. exceptional children's programs,
- f. a maintenance supervisor in each school administrative unit.

3. The need to substantially increase the base salary of teachers.

4. The need to eliminate the inequity and inefficiency resulting from categorical funding and to provide for increased consolidation of line items and block grant funding consistent with clear standards and the standard course of study.

5. The need to eliminate the inequities resulting from funding on the basis of previous or projected average daily membership. Funding on the basis of the best three of the first four months ADM in the previous year causes dislocation, budgetary difficulties, and hardship for those school administrative units that are increasing in enrollment. Funding on the basis of projected enrollment penalizes those systems that are losing students but that have fixed costs and the need to budget for the upcoming year. To arbitrarily pick either system results in hardship for some units.

During its 1984 budget session, the 1983 General Assembly took several actions to alleviate some of the

pressures discussed above. While Appendix G contains a list of expansion and improvement funds appropriated during the 1984 session in the education area, the most significant of these appropriations (from the perspective of the questions raised by the Public Education Policy Council) included:

1. Almost \$200 million for salary increase for school personnel;
2. A \$6.4 million "Reserve for Average Daily Membership Adjustment" to deal with problems noted in 5. above;
3. A \$1.013 million appropriation to cover the cost of local matching funds for vocational education for handicapped children; and \$2.562 million to provide funds to pay mandated maintenance supervisors; and
4. A \$31.1 million appropriation to reduce class size in grades 4-6.

In addition to action by the Legislature in 1984, the State Board of Education began preparing for a school finance pilot program, to be conducted in the 1984-85 school year. Section 86 of chapter 761 of the 1983 Session Laws (Senate Bill 23) provided:

"The State Board of Education shall develop a program for evaluating alternative means of distributing funds to local school administrative units, in accordance with the proposals of the 1979 Governor's Commission on Public School Finance and regulations and

procedures to be developed by the Board with the advice of the Advisory Budget Commission, and to implement this plan in one school unit in each of the eight education regions."

According to the legislation, the experimental system of allocation was to be "responsive to both State and locally determined needs and to local resources." The Board was required to "develop an accountability system by July 1985 which would allow the Board to assess the effectiveness of the programs it funds" through the new allocation procedure. The same legislation also directed the State Board of Education to define the elements of a basic education program and determine its cost. In response to that legislation, the State Board of Education submitted a draft of the Basic Education Program to the Policy Council Finance Committee on February 29, 1984. The Board was also required by the legislation to "recommend to the 1985 General Assembly a definition of State and local responsibilities for funding of the public schools which is consistent with current statutes, taking into consideration the ability of the various counties to finance their schools," and, in implementing the pilot program, to "involve wide participation on the part of groups directly affected by the outcome of the school finance proposals, including but not limited to legislators and representatives of county commissioners, local school boards, parents and employers and interested members of the general public."

The pilot units selected by the State Board of Education were the school systems in:

1. Bladen County
2. Jones County
3. Pitt County
4. Wake County
5. Greensboro City
6. Catawba County
7. Mecklenburg County
8. Transylvania County

In addition, the State Board of Education, in response to the mandate expressed in Section 2 of the Elementary and Secondary School Reform Act of 1984 (see Appendix E), submitted a proposed Basic Education Program for North Carolina's Public Schools on October 15, 1984. Both the Finance and Personnel Committees of the Public Education Policy Council reviewed and discussed the Basic Education Program submitted by the State Board. The Finance Committee met November 19, 1984, and reviewed the School Finance Project, the history of elementary and secondary school finance since 1931, the Elementary and Secondary School Reform Act, the response to the Council's recommendations for expanded funding and the mandate for development of a career growth program in Chapter 971 of the 1983 Session Laws (Regular Session 1984).

Most of the Committee's time was spent reviewing the proposed Basic Education Program. In discussion, a number of issues, some of which had been raised in meetings prior to the 1984 legislative session, were discussed or pointed out.

The committee found that there remains in North Carolina a widely recognized need to clearly define State and local funding responsibilities for elementary and secondary education. The traditional division in this State--extending back over 50 years--has been for the State to fund operating costs and the counties to fund capital costs for facilities and maintenance. This distinction has become increasingly blurred over time, and unfortunately to the detriment of adequate facilities. Among the relevant factors considered by the Committee were:

- a. The counties have widely varying tax bases and, therefore, widely varying resources available.
- b. This now means that the quality and the quantity of the school program is in part dependent upon where the child lives.
- c. No one approach to providing equity through state funding currently in use in this country has been widely accepted as the best practice.
- d. Total state funding of operating costs would, in effect, be an approach to equity in that the state funds would come largely from income and sales taxes. (In 1983-84, 82.6% of state revenues came from individual and corporate income taxes and sales and use taxes.).

The Committee found that any system of public school finance should be based on four objectives:

(1) Quality: To achieve the common goal of "a quality education for every child." The Elementary and Secondary School Reform Act of 1984 rewrote G.S. 115C-408 to read, in part:

"It is the policy of the State of North Carolina to create a public school system that graduates good citizens with the skills demanded in the marketplace, and the skills necessary to cope with contemporary society, using State, local and other funds in the most cost-effective manner...

To insure a quality education for every child in North Carolina, and to assure that the necessary resources are provided, it is the policy of the State of North Carolina to provide from State revenue sources the instructional expenses for current operations of the public school system as defined in the standard course of study."

The State Board of Education has responded to the legislative mandate of the Reform Act to define a basic education program for the school children of the State and has estimated the cost of that program. The cost of the basic program exceeds present funding levels from State and local sources combined. The Committee found the program to represent a worthy goal to be pursued within the means of the State and county governments over time.

(2) Equity: To achieve the Constitutional mandate to provide "by taxation and otherwise for a general and uniform system of free public schools...wherein equal opportunities shall be provided for all students". Local school boards have the responsibility to oversee the delivery of the educational services to the children in each administrative unit. The needs of the local schools are not uniform throughout the school systems. Total funds to the local administrative unit are dependent upon the numbers of pupils and the services required. This means that the pupil becomes the unit of funding; schools and classrooms are the centers of learning; and all other aspects of the educational enterprise exist to serve pupil learning. The Committee concluded that the average daily pupil membership system can logically serve as the basis for determining total educational needs and the funding requirements locally and statewide. For example, pupils in the primary grades currently require more finance resources than those in the middle grades. Pupils enrolled in vocational, summer school or other special programs generally are part-time and represent additional costs above the general education programs serving all pupils. The Basic Education Program adopted by the State Board of Education reflects these differing resources. An average daily membership (ADM) system drives the varying staffing ratios of the Basic

Education Program and serves as the basis for determining the total education and financial requirements of a particular local school unit and the total for the State.

(3) Flexibility: The need to distribute State funds so as to allow local school administrative units the opportunities to make decisions consistent with individual community needs, within an appropriate framework, and to make use of these and local and other resources in the most cost-effective manner.

(4) Clarity: The need to clearly define state and local funding responsibilities (discussed above and at the beginning of this section).

As it considered these four objectives and the Basic Education Plan, the Committee found that four fundamental issues must be considered:

1. What kind of education every youngster in North Carolina should have,
2. How to reach the point where every child in every town and hamlet in North Carolina can expect that education,
3. Who will pay for that education, and how the State goes about distributing its share of the financial responsibility in a manner that balances the State's responsibility to see to it that the money is spent well with the long-held view in this

State that local communities should have discretion in operating local school districts.

4. The 1985 General Assembly must resolve major financial questions, including transportation, plant operation, and auxiliary services, such as maintenance workers and insurance. The definition of facilities is to be decided. See Finance Recommendation 4.C.(3).

The Finance Committee found it difficult, perhaps impossible, to overstate the significance of these issues. The Basic Education Program developed by the State Board of Education is a unique document. In concise language the program spells out the Board's reasonable expectations for an education for all North Carolina children. The program further describes the resources needed for this education to be offered. The Committee believes that the program can best be implemented over an extended period of time, starting July 1, 1985.

The Committee met again on November 26, 1984 and heard from a subcommittee as well as an informal working group appointed to discuss the issues outlined above. The recommendations of the Committee, as approved by the full council, follow.

FINANCE RECOMMENDATIONS

1. The Council recommends that the 1985 General Assembly give its highest priority to a most careful review of the Basic Education Program proposed by the State Board

of Education. The Legislature should require such additional data as will enable it to make prudent policy and appropriations decisions to advance these education goals within a reasonable time.

The Council endorses the Basic Education Program with reservations and recommends that the Program proposed to the 1985 General Assembly prescribe mandatory courses of study which shall be available to every student in North Carolina regardless of the location of the local school administrative unit.

2. The Council recommends that a detailed, workable school finance plan should be developed jointly by legislators, members of the State Board of Education, other representatives of the education community and local governments, and others for early presentation to the 1985 General Assembly.

3. The Council recommends that the General Assembly reaffirm the historic principle of dual funding of the school program.

Such a conceptual model clarifies the State's role in supporting the basic educational program.

To assure a basic education for every child in North Carolina, the State should fund the operating costs of the program. The State may share with county government the role of enhancing the basic program through supplemental funds. Only in this manner can it be assured that children throughout the State will have the Basic Program available.

County governments should be responsible for meeting the schools' facility requirements.

The Council recommends that State funds be distributed on a more flexible per pupil basis, such as:

- a. Instruction - Personnel (Teachers and aides - Regular, Vocational Education, Exceptional Children, Remediation/Summer School);
- b. Instruction - Equipment and Supplies (Textbooks, Supplies, Lab Equipment-Vocational Education, Science, Math, Computers and Software);
- c. Instructional Support (Principals, Assistant Principals, Clerical Staff, Counselors, Nurses, Librarians);
- d. General Administration (Superintendent, Assistant Superintendent, Clerical, General Expenses);
- e. Transportation - Operation and Maintenance; and
- f. Categorical Programs (Pilot programs, special feature programs, etc.)

4. The Council recommends that in order to qualify for State funds, each local school administrative unit be required to show evidence of compliance with State Standards of Quality (SOQ) for grades kindergarten through 12 as prescribed by the General Assembly and the State Board of Education's rules and regulations. The State Board of Education should have the duty to withhold up to ten percent of the State funds to a local school unit upon the local unit's failure to comply with the Standards of Quality

established by statute and Board rules and regulations. The Standards of Quality should provide the minimum components of the public school program which shall be offered to the pupils of the State by local boards of education. In addition, local funds may be used to augment the basic State funded program with the following standards:

A. Curriculum and Instruction.

(1) General Education

- (a) a regular academic school year of 180 days for pupils (one day may be taken for orientation);
- (b) an instructional day of 5.5 clock hours;
- (c) local boards of education to provide for the efficient teaching of the Basic Education Program each year, consistent with the funds appropriated by the General Assembly;
- (d) local boards of education to maintain the average class sizes outlined in the Basic Education Program unitwide and shall approve class sizes for specific subjects and grade levels which exceed the Basic Program averages;
- (e) local boards of education to utilize standard quantitative measures of educational achievement, tests and promotional standards as established by

the State Board of Education, consistent with the Basic Education Program;

(f) local boards of education to give priority to mainstreaming pupils to the maximum extent feasible for pupil learning.

(2) Exceptional Children. Handicapped and gifted pupils whose education needs cannot be met through regular classes are to be given special instruction within such limits as may be prescribed by law, by regulations of the State Board of Education, and within funds appropriated for this purpose.

(3) Vocational education to be provided through a range of introductory preparation for advanced vocational education, and skill development courses for all secondary pupils who desire them.

(4) Remediation

(a) Students who are retained, due to failure to meet either the State or local promotion standard, shall have remedial instruction provided during the regular term and/or a summer term;

(b) State funds for summer school are not to exceed ten percent of the average daily membership of a local administrative

unit. The State Board of Education and local boards of education are encouraged to provide incentives for pupil achievement and to limit repetitious summer term instruction for the same pupil.

B. Personnel.

- (1) Local boards of education to employ professional personnel who meet the certification requirements established by the State Board of Education.
- (2) Salary ranges: Local boards of education shall pay State-paid personnel within provisions established by the 1985 General Assembly.
- (3) Upon the implementation of the Career Development Program, salary adjustments will be made for the professional levels of that program.
- (4) The "School Level Staffing" outlined in section VI B of the Basic Education Program to be amended as follows:
 - (a) The allotment of School Secretaries to read:

"8. School Secretaries - Positions to be allotted, and persons employed in schools, as follows:

<u>ADM</u>	<u>NUMBER OF POSITIONS</u>
0 - 399	1
400 - 899	2
900 - 1499	3
1500 - 2199	4
2200 - above	5"

(b) The allotment of Assistant Principals to read:

"5. Assistant Principals - Positions to be allotted, and persons employed in schools, as follows:

<u>ADM</u>	<u>NUMBER OF POSITIONS</u>
400 - 899	1
900 - 1499	2
1500 - 2199	3
2200 - above	4"

C. Facilities.

- (1) The board of county commissioners to be responsible for financing, solely from local revenue sources, construction of public school buildings necessary to support the Basic Education Program as adopted by the General Assembly. In order to assure that boards of commissioners carry out this responsibility in the most efficient manner, the General Assembly should instruct the State Board of Education to develop guidelines pertaining to new construction and renovation of public school facilities.
- (2) State funds may not be used to support the construction, operations or maintenance of

school buildings except as elsewhere specifically provided.

(3) Definition of facilities to be decided. (A tentative definition includes insurance, custodial and maintenance personnel, and all other expenses relating to operating and maintenance of facilities).

(4) Bases for Guidelines:

(a) North Carolina Building Code, and

(b) Minimum and optimum school enrollments and facility standards as prescribed by the State Board of Education.

(5) Applicability of Guidelines:

(a) Facilities constructed to replace obsolete buildings and/or accommodate additional staffing related to the Basic Education Program; and

(b) Major renovations of existing structures which would make them suitable for long-term use.

(6) Process for Setting Guidelines:

(a) State Board of Education to establish a permanent advisory body, including representatives of county government, to develop (and revise as necessary) standards; and

(b) Written standards to be incorporated in the Administrative Code, including procedure for waivers to be provided in standards.

(7) Facilities Planning:

(a) School boards required to prepare multi-year building plans for submission to boards of commissioners which would address:

- Phase-in of Basic Program,
- Minimum and optimum school enrollments,
- Short-term/long-term building objectives;

(b) Plans to be approved by board of county commissioners and the State Board of Education; and

(c) Commissioners to prepare financing plan for submission to Local Government Commission for review and comments.

(8) Enforcement/Monitoring: The General Assembly shall establish a program for monitoring and periodic reporting of the school facilities standards.

D. Non-personnel Support.

(1) Textbooks, Instructional Supplies, Materials and Equipment: Local boards of education to

provide from appropriated state funds textbooks, materials, supplies, equipment sufficient for the effective operation of the Basic Education Program.

- (2) Transportation: County boards of education to provide for the safe and efficient transportation of pupils in accordance with law and State Board of Education regulations.

E. Accountability. The Controller of the State Board of Education with the assistance of the local board of education shall be held accountable for preparing and filing annually a three-year historical record for each school, to be updated annually, which contains: (1) a comprehensive financial statement following the format prescribed by the State Board of Education, showing all revenues available and expended, in total and per pupil, (2) the number and achievement gains of pupils on standardized tests; (3) attendance records, (4) dropout rates, (5) promotion and graduation rates as appropriate, and (6) other performance goals and output measures identified by the State Board of Education and local boards of education.

PERSONNEL

PERSONNEL BACKGROUND

Public elementary and secondary education is a labor intensive system. Employee salaries and benefits consume about 80 cents of the education dollar. Recognizing the critical importance of people to the system, the Council looked closely at the mechanisms through which we attract, protect, retain and compensate teachers and other educational personnel. The Council's Personnel Committee invited and heard testimony relating to the method through which the state accredits institutions which prepare educators. The committee also looked at the state's certification system, the way our "Fair Employment and Dismissal Practices (Tenure) Act" is administered, our system for evaluating personnel, and the salary and fringe benefit package for educators.

In the course of this testimony and the accompanying examination, the Council identified several needs which must be met if the state is to maintain and improve the quality of personnel in elementary and secondary education:

1. The need to attract the best and the brightest people at the entry level and assure that they are exposed to the best possible career preparation programs.

2. The need to provide for excellent retraining or in service programs which either correct deficiencies that come

to light through the system of performance appraisal or evaluation or enable professional educators to develop new skills in order to enable them to enter different fields.

3. The need to adequately compensate school personnel. The salary schedule (more properly, the total compensation system) should support a reasonable lifestyle, satisfy the individual's need for security at retirement, provide protection from financial crisis caused by illness or accident, assist in recruiting and retaining quality people, and provide incentives and indices for self-evaluation and goal setting. The current salary schedule fails to assist in retaining capable teachers, encourages mediocrity, is structured to retain marginal teachers, contains few incentives and generally does not support personal goal-setting and evaluation. Under the current salary schedule, the most marginal teacher is paid the same as any other. There are no steps in the current salary schedule to provide personal goals, and there is no formal way to use demonstrated expertise in classroom job descriptions. Also, there is little room for reciprocal evaluation between teachers and the administrative unit. There is no provision for self-improvement with reasonable compensation during the first decade of employment. In addition, the current salary schedule is inflexible and thus does not enable local governments to respond to local conditions within their resources. The foregoing criticisms of the current teacher salary structure are damaging enough, but there are two